NOVEMBER 21, 1983 THREE DOLLARS

Forbes

The Best Man for the Job?

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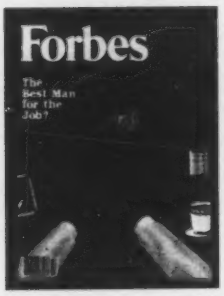

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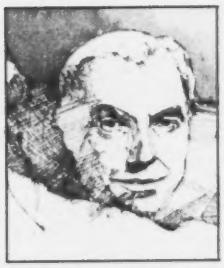

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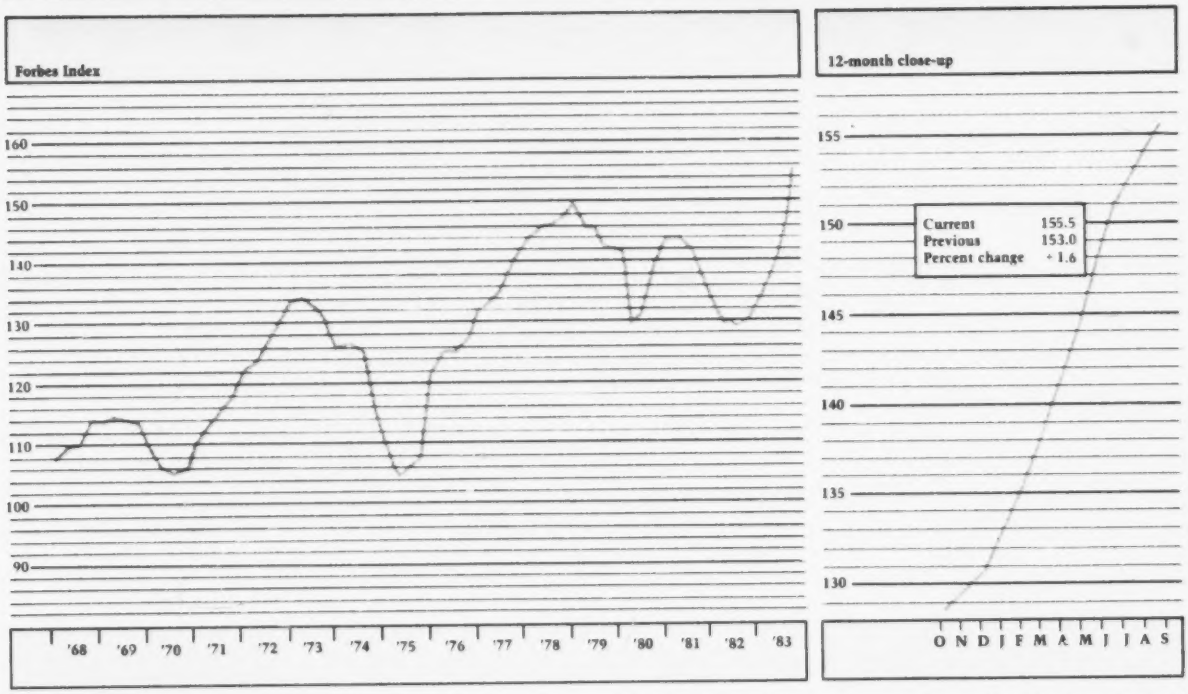
The Forbes Index



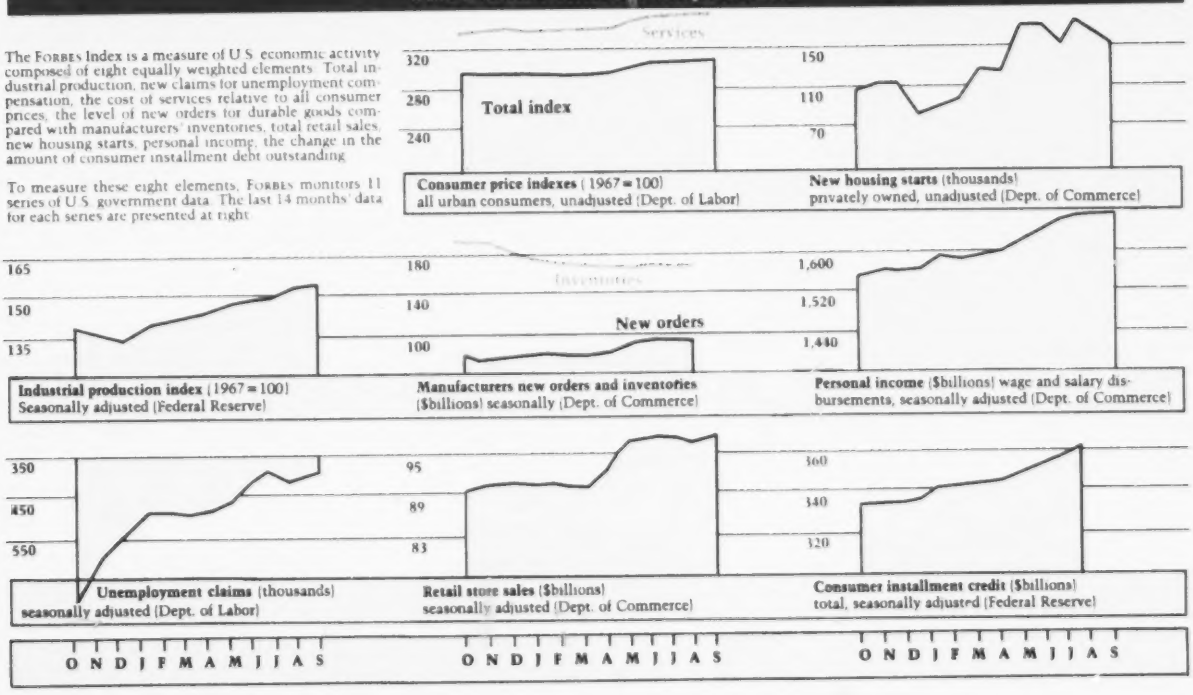
The rocky road upward. The Forbes Index posted another gain, but there are signs that the economy might face some roadblocks ahead. The good news: Personal income was up 0.6% over the previous month. But consumers will see only marginal gains in purchasing power because the CPI was up nearly 0.5% in September. This makes nearly 6% on an annual basis. The Seventies' double-digit inflation may not recur, but the low rates of the post-WWII boom years may also prove to be elusive. Of even more concern is the 0.6% gain in the services component of the CPI.

Housing doesn't look bright, either. Latest figures on new housing starts are up 44.6% from the same period last year, but down 13% on a monthly basis.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, the change in the amount of consumer installment debt outstanding.

To measure these eight elements, Forbes monitors 11 series of U.S. government data. The last 14 months' data for each series are presented at right.



brokers or public announcements, end up losing. Some of those professionals tend to identify changes only after they have been anticipated in stock prices. "My answer to most people," he says, "is don't play the stock market."

So what's Howard up to now? Frankly, he's puzzled. Most money managers, he notes, are "uncertain and frightened." But to keep their hand in the markets, they're playing big, safe companies with relatively low price/earnings ratios, like Philip Morris, Coca-Cola and IBM. "I'm not dealing with absolutes but with perceptions. I don't find anything particularly interesting. My perception is that expectations already are built into the market." Meaning? The uncertainty and fear are already built into stock prices, leaving little room on the short side.

The "mistake a lot of people make," he continues, "is playing the market when they don't have a strong conviction. When I don't have a great idea, I wait." For example, he feels that Lockheed is a strong company. But the stock has more than doubled in a year. "All the major institutional players know about it and already are in," he notes. He probably won't buy. Let reality fall slightly short of expectations, and the stock price will drop.

Down the road, however, Howard sees an opportunity for a major new short position: the semiconductors. "I'm probably much too early," he says. "But right now the semiconductors are a big long play by most of Wall Street because of increased demand as the economy recovers. What Wall Street forgets," he says, "is that semiconductor manufacturers are like rabbits. Let them loose, and they can't stop. Before you know it, you have an oversupply." ■

How do you win at the new issues game? Read the prospectus? Listen to your broker? Play the odds? Look at the underwriter?

Pick a name

By Richard L. Stern

As any new issue freak has learned to his or her dismay, 1983 is not shaping up as a vintage year so far as initial public offerings are concerned. The overall record of the 1983 initial public offerings, as compiled by Abrahamsen & Co., a Hoboken, N.J.-based firm that, among its services, tracks initial public offerings of $5 million and up, was not encouraging. However, by no means were all of them duds. Nor did every underwriter's offering fare equally badly. We looked at the 20 investment bankers who, acting as lead managers, raised the most money. Together they took in more than $7 billion for initial public offerings. (We left out two that had done less than five such offerings, too few for the law of averages to take effect.)

The lead broker—the one who ran the books—sets the initial offering price and so is most responsible for any misjudging of the market.

The winner is E.F. Hutton. Its 22 initial public offerings this year were up an average 22.42%, while Standard & Poor's 400 was up only 5.45% for the same period.

Not only was Hutton the winner, it was the clear winner. Of the 18 major underwriters of initial public offerings, only two besides Hutton—the San Francisco-based Hambrecht & Quist and Drexel Burnham Lambert—would have given you a return for your money significantly better than the broad stock averages, and the broad average didn't do much at all.

Which means there is a certain amount of egg on some prominent faces. Of course, the last word isn't in. It takes longer than a fraction of a year to prove out a new stock issue. But, anyhow, investment house by investment house, we list the results at left through Oct. 21 of the 1983 new issues sweepstakes. ■

More downs than ups

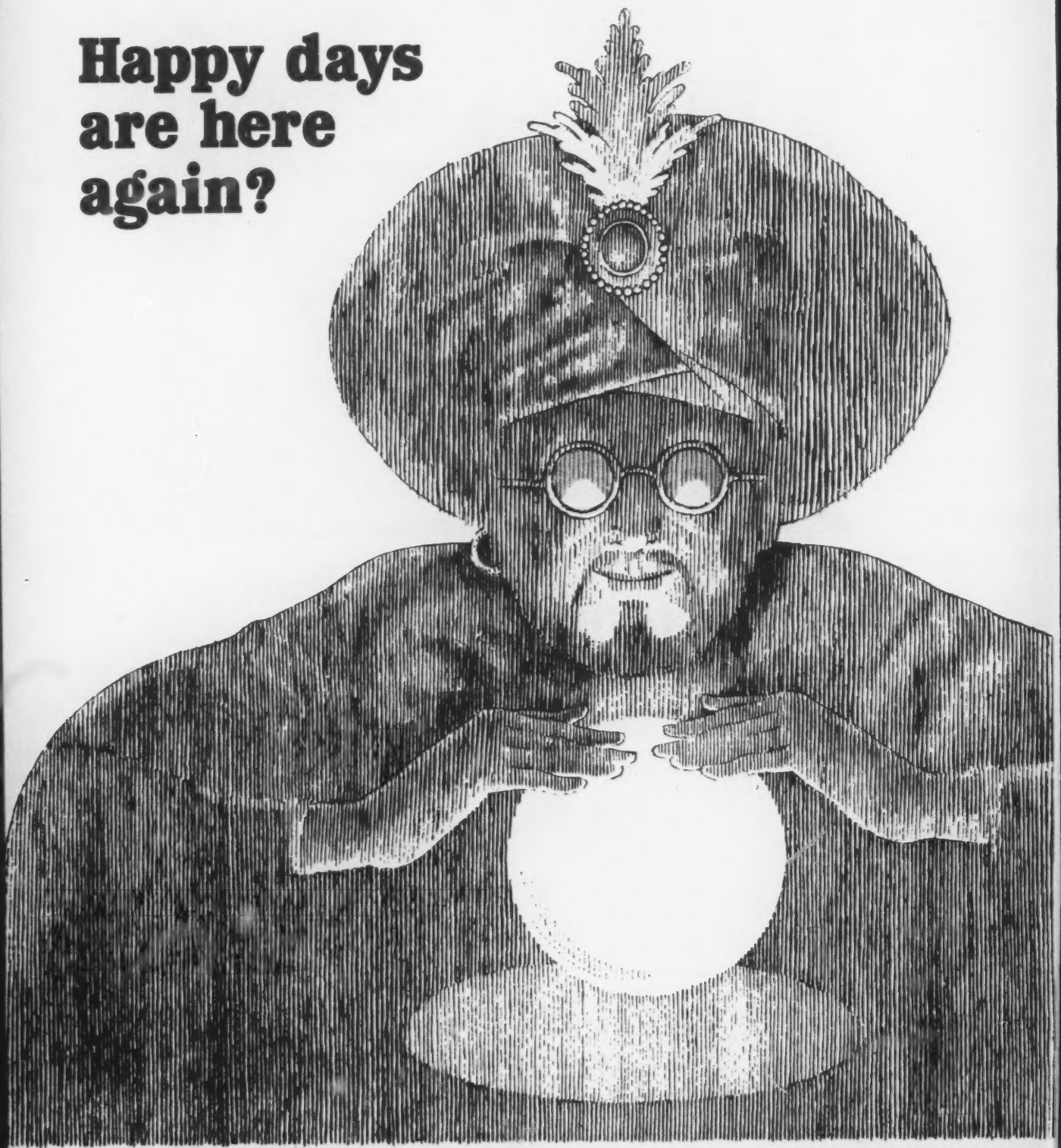
Below, the record for initial offerings from the biggest new issue houses this year. Picking the right issue was as chancy as picking an underwriter: E.F. Hutton, for instance, saw its best stock rise 174.5%, its worst fall 73.2%.

Lead manager	Number of issues lead mgr	Average gain/loss per share from offering to 10/21/83	Corresponding gain/loss S&P's 400	Net difference
EF Hutton	22	22.42%	5.45%	16.97
Hambrecht & Quist	6	10.15	3.46	6.69
Drexel Burnham	12	9.25	0.87	8.38
Alex. Brown & Sons	16	2.94	2.94	0
Dean Witter	6	1.70	4.10	–2.40
Salomon Brothers	11	1.44	4.63	–3.19
Goldman, Sachs	8	0.23	–0.38	0.61
Prudential-Bache	22	–2.19	1.90	–4.09
Kidder, Peabody	6	–3.27	0.81	–4.08
Robertson, Colman	7	–4.22	0.57	–4.79
Merrill Lynch	18	–4.50	3.00	–7.50
AG Becker Paribas	8	– 4.69	2.55	–7.24
LF Rothschild	24	–5.72	4.51	–10.23
Lehman Brothers	11	–5.96	0.18	–6.14
Morgan Stanley	8	–6.19	3.92	–10.11
First Boston	6	–11.95	1.71	–13.66
Shearson/American Express	7	–12.84	2.18	–15.02
Blyth Eastman	6	–13.37	1.57	–14.94

Source: Abrahamsen & Co.

Wall Street analysts see strong profit gains for next year. But some of the tint is coming off their rose-colored glasses.

Happy days are here again?



By Steve Kichen and Leslie Pittel

SECURITIES ANALYSTS are optimistic by nature but cautious by experience. On the whole, they are predicting that corporate earnings will be up 30% next year. And that's on top of projected 19% gains in 1983.

But now the caution creeps in. Many of the analysts are starting to trim their Bull Market enthusiasm a bit. "On balance, earnings estimates are declining," says Stan Levine, a vice president at Lynch, Jones & Ryan. His firm maintains the Institutional Brokers Estimate System, which tracks Wall Street's consensus earnings estimates for nearly 2,800 companies. "As we approach year-end, we can see that the actual earnings growth in 1983 will be somewhat lower than the current forecast," Levine explains. Never mind, though. Even trimmed a bit, the 1984 estimates are still impressive.

Should you bet your bucks on what the analysts think? In recent years, the analysts' record has been surprisingly good. Last year, at the tail end of the recession (FORBES, *Nov. 22, 1982*), they anticipated that 96% of The Forbes 500s firms would post earnings gains for 1983. More than 70% should meet that prediction.

What about calling the shots on individual companies? The analysts didn't do too badly there, either. For example, the experts expected American Broadcasting to earn $5.64 per share in 1982 and Central Soya to earn $1.76 in 1983. Actual earnings for these two firms were $5.54 and $1.68, respectively.

Of course, even the pros aren't always right. Crane Corp. lost $0.33 a share in 1982, a far cry from the $0.79 gain expected by the experts. Ford Motor, Mattel and Mead also did much worse than expected.

Bet your last dollar on such estimates? No. But as a rough guide they are useful.

The table on the following pages includes IBES consensus estimates for the majority of The Forbes 500s companies (FORBES, *May 9*). We eliminated the 127 firms where fewer than three earnings projections were available for either 1983 or 1984, so there are 681 companies in our report.

Not surprisingly, a large flock of analysts follow many of The Forbes 500s companies. For example, there were 35 professionals who contributed estimates for IBM and 29 for Mobil.

Pay special attention to the last column in our table. It presents the "confidence factor," a statistical measure of how well analysts agree on their earnings estimates. This indicates whether the projections cluster together or fall all over the lot. When it comes to IBM, for example, there is "very high" agreement among the analysts about 1984 profitability. This means that if the company earns much more or less than $10.38 a share next year, Wall Streeters will be surprised.

Because many of The Forbes 500s companies are large, stable firms, our tables are full of very high or high confidence ratings. But long-shot opportunities exist in situations where security analysts have wildly differing opinions, provided you pick the right estimate from the widely varying guesses.

That was true for Chrysler last year. We reported a consensus estimate of $2.96 a share. But the 13 projections that constituted this figure ranged from a low of $1.25 to a high of $4.65. Actual earnings for 1983 are now estimated at $6.07. Risk-takers who leaned toward the higher estimates and bought shares last fall at $9 more than trebled their money.

Where to look for similar situations in 1984? There could be good pickings along with high risk among steel, aluminum and oil service stocks. These days many of these stocks carry low confidence factors.

Then there's Chrysler, again. Analysts evidently aren't total believers in its recovery. Earnings estimates for next year range from $4.65 to $12.61. That's enough difference of opinion to receive a very low confidence factor.

Keep in mind, however, that the market has little mercy when it catches the analysts asleep. Last year both Baldwin-United and Digital Equipment carried average confidence factors. That's a big reason share prices dropped so sharply when the firms didn't live up to the expectations of the experts.

What do all these figures indicate about the stock market as a whole? If the estimates are correct, the recent price on the Dow industrials represents a multiple of only 8.7 times probable 1984 earnings. On that basis the market looks cheaper than it does on its current P/E multiple of 11.9. No wonder there is a relatively high degree of bullishness on The Street these days. ■

How we get the numbers

The relatively simple numbers on the following pages are the end product of a great deal of sophisticated work by the Institutional Brokers Estimate System, a division of Lynch, Jones & Ryan, a New York brokerage firm. IBES uses questionnaires, computers and direct contact to gather earnings estimates on almost 2,800 firms, polling more than 1,300 security analysts at 80 brokerage houses. Then The Boston Co. calls its IBM mainframe computers into action. Out come consensus estimates and standard deviations. These are the numbers we use to determine our confidence factors.

All these data are available either in printed form or through on-line time-sharing. This year, however, FORBES used the newest link to IBES—Micro/Scan computer software developed by ISYS Corp. of Cambridge, Mass. This system was created by 35-year-old Larry Moore, president of ISYS. His idea: Figure out a way to circumvent time-sharing by using a personal computer to access investment-oriented information. Moore's concept was refined and developed by his colleague, computer whiz Josef Polak, an ISYS vice president.

The secret is a disk, chock-full of data, that Micro/Scan mails every month to subscribers. With it, almost anyone who owns a microcomputer can screen stocks in seconds. The system can also convert reports into popular electronic spreadsheet formats, such as VisiCalc and Lotus 1-2-3. In addition to IBES, a variety of major databases are now available through Micro/Scan, and the 8,400-firm Disclosure, Inc. library is coming soon. Those money managers who can't wait for their monthly disk to arrive can update more quickly by telephone.

Anyone can buy the service, but it is designed—and priced—for institutional investors. Software alone costs up to $9,500.

Peering into the crystal ball: a look at 1984 earnings

Wall Street analysts think most of the following Forbes 500s companies will show big gains next year. Compare each earnings estimate to the analyst confidence factor. If the confidence factor is high, that means the analysts are in close agreement on their estimates. A low confidence factor means the opposite.

Company	Recent price	Earnings per share* 1982	1983 estimates	1984 estimates	% change 1984 vs. 1983 estimates	1984 estimate P/E	1984 estimate number of analysts	1984 estimate confidence factor
AMP	104⅛	$3.31	$4.45	$5.81	30.6%	18.0	15	high
AMR	30¾	–1.00	2.03	3.82	88.2	8.1	22	low
ARA Svcs	50	3.43	4.47	5.26	17.7	9.5	5	high
Abbott Labs	51⅜	2.37	2.82	3.33	18.1	15.4	27	very high
Advanced Micro Devices	30⅛	0.39	0.88	1.40	59.1	21.5	22	low
Aetna Life & Casualty	35¾	5.80	4.13	5.00	21.1	7.2	24	low
Affiliated Bankshares of Colo	24⅝	2.97	3.06	3.52	15.0	7.0	4	high
HF Ahmanson	31	–1.88	3.43	6.17	79.9	5.0	11	low
Air Products & Chemicals	45¼	3.68	3.60	4.46	23.9	10.2	23	average
Albertson's	27¾	1.91	2.09	2.43	16.3	11.5	16	very high
Alco Standard	37¾	2.95	2.77	3.53	27.4	10.7	9	high
Alexander & Alexander Svcs	20	0.57	1.11	1.64	47.7	12.2	13	low
Allegheny Intl	30⅞	0.21	0.62	3.67	491.9	8.4	6	low
Allegheny Power System	25¾	3.41	3.53	3.69	4.5	7.0	20	very high
Allied Bancshares	31⅝	2.78	3.29	3.79	15.2	8.3	9	very high
Allied Corp	56⅛	6.22	5.80	7.48	29.0	7.5	18	high
Allied Stores	51⅛	4.41	5.67	6.41	13.1	8.0	18	average
Allis-Chalmers	16⅝	–17.24	–10.38	0.14	NM	NM	8	very low
Aluminum Co of America	44	– 0.15	1.68	4.35	158.9	10.1	23	very low
AMAX	24⅝	– 6.53	–2.58	0.77	NM	31.9	16	very low
Amerada-Hess	30¼	2.00	3.11	4.29	37.9	7.0	18	low
American Brands	55⅝	6.55	7.13	7.94	11.4	7.0	13	very high
American Broadcasting Cos	61⅞	5.54	5.86	7.03	20.0	8.8	22	high
American Can	43⅛	1.12	3.62	4.51	24.6	9.6	9	average
American Cyanamid	53⅞	2.74	3.44	4.52	31.4	11.9	15	average
American Electric Power	18⅞	2.03	2.18	2.36	8.3	8.0	19	very high
American Express	34¼	3.02	3.59	4.12	14.8	8.3	18	very high
American General	22⅜	2.41	2.87	3.30	15.0	6.8	18	average
American Home Products	51⅜	3.59	4.00	4.49	12.3	11.5	28	very high
American Hospital Supply	45½	2.43	2.82	3.33	18.1	13.7	26	very high
American Intl Group	64½	5.61	6.30	7.24	14.9	8.9	25	high
American Medical Intl	27⅞	1.69	2.07	2.52	21.7	11.1	28	very high
American Motors	7⅞	–2.85	–2.77	0.23	NM	35.0	8	very low
American Natl Insurance	20½	2.38	2.67	2.94	10.1	7.0	3	high
American Natural Resources	41⅞	6.77	6.48	6.82	5.2	6.1	15	very high
American S&L Assn of Fla	15	–2.54	2.32	4.26	83.6	3.5	5	very low
American Standard	35⅛	1.30	2.42	3.76	55.4	9.3	11	low
American Stores	40⅛	2.61	3.27	3.90	19.3	10.3	11	average
American Telephone & Tel	62⅞	8.06	8.33	9.35	12.2	6.7	30	high
AmeriTrust	43	6.69	6.00	7.01	16.8	6.1	8	high
Amfac	28	2.27	0.78	2.81	260.3	10.0	10	low
AmSouth Bancorp	33⅜	4.21	4.53	4.95	9.3	6.8	7	very high
Amstar	47⅜	4.31	2.34a	3.78	61.5	12.5	3	average
Anderson, Clayton	27	4.47	1.75a	3.16	80.6	8.5	6	average
Anheuser-Busch	71½	5.68	6.56	7.51	14.5	9.5	21	very high
Apple Computer	21½	1.06	1.50	1.84	22.7	11.7	22	very low
Archer-Daniels-Midland	22⅝	2.03	1.16a	2.27	95.7	10.0	15	low
Arizona Public Svc	24	3.30	3.35	3.43	2.4	7.0	19	very high
Arkla	23⅞	1.90	1.90	2.43	24.0	9.8	17	average
Armco	19	–5.41	–3.56	1.65	NM	11.5	15	very low
Armstrong World Industries	27⅞	0.95	2.26	3.12	38.1	8.9	14	low
ASARCO	29¼	–2.40	2.19	3.96	80.8	7.4	16	very low
Ashland Oil	28⅝	5.27	2.30	4.90	113.0	5.8	8	very low
Associated Dry Goods	65¾	4.31	5.58	6.48	16.1	10.1	17	high
Atlantic Bancorp	23¼	2.40	2.67	3.00	12.4	7.8	3	very high

*For fiscal years ending June through May of the following year. a: Actual 1983 earnings. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from ISYS Corp.

Peering into the crystal ball: a look at 1984 earnings

Company	Recent price	Earnings per share* 1982	1983 estimates	1984 estimates	% change 1984 vs. 1983 estimates	1984 estimate P/E	1984 estimate number of analysts	1984 estimate confidence factor
Atlantic Richfield	45¾	$6.61	$6.29	$7.07	12.4%	6.5	34	high
Automatic Data Processing	38	1.71	1.86a	2.20	18.3	17.3	16	very high
Avco	34⅜	3.02	3.84	4.62	20.3	7.4	7	average
Avnet	42¾	1.64	1.43a	2.19	53.1	19.5	12	average
Avon Products	24¼	2.75	2.54	3.03	19.3	8.0	17	low
Baker Intl	20¼	3.60	–0.38	1.35	NM	15.3	29	very low
Bally Manufacturing	22⅜	3.20	1.55	2.39	54.2	9.4	12	very low
Baltimore Gas & Elec	31¼	4.07	4.37	4.47	2.3	7.1	19	very high
Bank of New York	29⅛	4.21	4.67	5.05	8.1	5.8	6	very high
Bank of Virginia	30½	4.18	4.72	5.13	8.7	5.9	3	average
BankAmerica	19½	2.60	2.89	3.43	18.7	5.7	29	average
Bankers Trust New York	43⅜	7.95	8.35	9.14	9.5	4.8	26	high
Barnett Banks of Florida	39½	3.94	4.47	5.03	12.5	7.9	17	very high
Baxter Travenol Labs	55¾	2.64	3.18	3.81	19.8	14.6	26	very high
BayBanks	36⅛	5.33	5.17	5.92	14.5	6.1	3	high
Beatrice Foods	30	3.06	3.23	3.61	11.8	8.3	15	high
Becton, Dickinson	40½	3.63	1.87	3.15	68.4	12.9	19	average
Beneficial	33⅜	1.34	3.81	4.36	14.4	7.7	7	average
Best Products	36¼	2.45	2.88	3.61	25.3	10.1	12	low
Bethlehem Steel	24	–33.64	–7.28	3.00	NM	8.0	15	very low
Beverly Enterprises	27⅜	1.33	1.61	2.02	25.5	13.6	8	very high
Big Three Industries	23⅛	2.08	1.48	2.18	47.3	10.6	15	low
Black & Decker Mfg	24⅞	0.41	1.08	1.98	83.3	12.6	12	low
Blue Bell	36⅞	2.92	3.99	4.73	18.5	7.8	12	high
Boeing	38	3.02	3.70	4.03	8.9	9.4	29	average
Boise Cascade	41	0.26	2.24	4.22	88.4	9.7	19	high
Borden	57⅞	4.83	6.76	7.74	14.5	7.5	7	average
Borg-Warner	48¾	3.90	4.17	5.56	33.3	8.8	9	average
Boston Edison	27¼	3.18	3.68	3.82	3.8	7.1	12	high
Bristol-Myers	45⅞	2.59	2.97	3.41	14.8	13.5	27	very high
Brooklyn Union Gas	32⅛	4.60	4.73	5.13	8.5	6.3	8	very high
Brown-Forman Distillers	31¼	3.76	3.62	4.00	10.5	7.8	5	average
Brown Group	32⅝	2.78	3.22	3.76	16.8	8.7	10	high
Browning-Ferris Industries	39¾	2.07	2.40	3.02	25.8	13.2	13	very high
Brunswick	49⅝	–1.28	4.74	5.68	19.8	8.7	8	average
Burlington Industries	38	1.85	3.08	4.80	55.8	7.9	10	low
Burlington Northern	104¼	4.65	8.87	11.07	24.8	9.5	21	low
Burroughs	50⅞	2.17	4.51	5.54	22.8	9.2	20	average
CBI Industries	33	5.06	2.84	3.16	11.3	10.5	12	low
CBS	76¼	4.01	6.78	8.19	20.8	9.3	21	very high
CBT	30	5.36	4.96	5.61	13.1	5.4	4	very high
CIGNA	45⅜	6.38	5.93	6.85	15.5	6.6	27	average
CPC Intl	39½	4.80	4.42	5.23	18.3	7.6	19	high
CSX	75⅛	8.10	6.38	9.12	42.9	8.2	22	low
Cabot	27½	2.77	2.14	2.73	27.6	10.1	10	average
Cameron Iron Works	18¾	5.02	0.11a	0.80	627.3	23.4	8	very low
Campbell Soup	57¾	4.64	5.13a	5.81	13.3	9.9	18	very high
Capital Cities Communications	145½	7.25	8.41	10.08	19.9	14.4	19	high
Capital Holding	35½	3.98	4.44	4.97	11.9	7.1	24	very high
Carnation	49⅞	5.21	5.64	6.19	9.8	8.1	13	very high
Carolina Power & Light	24	3.17	3.24	3.45	6.5	7.0	19	very high
Carter Hawley Hale Stores	22⅝	1.51	1.93	2.51	30.1	9.0	18	average
Castle & Cooke	17⅛	0.17	–1.85a	1.24	NM	13.8	8	low
Caterpillar Tractor	43	–2.04	–3.19	2.77	NM	15.5	21	very low
Celanese	77¾	0.05	5.06	7.94	56.9	9.8	22	low
Centel	38½	3.96	4.24	4.72	11.3	8.2	19	high
Centerre Bancorp	25¼	3.04	3.18	4.02	26.4	6.3	3	average

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Central & South West	19⅞	$2.82	$2.96	$3.13	5.7%	6.4	24	very high
Central Illinois Pub Svc	15⅝	1.81	1.93	2.03	5.2	7.7	8	high
Central Soya	15⅜	1.28	1.68a	1.96	16.7	7.8	4	average
Centran	17½	2.13	2.72	3.38	24.3	5.2	3	very low
Champion International	23¾	0.45	1.61	3.03	88.2	7.8	20	low
Chase Manhattan	47	11.27	10.43	11.58	11.0	4.1	28	average
Chemical New York	41½	8.70	8.57	9.40	9.7	4.4	19	average
Chesebrough-Pond's	40⅛	3.56	3.56	4.09	14.9	9.8	18	very high
Chrysler	29¾	–1.28	6.07	8.80	45.0	3.4	18	very low
Chubb	62⅛	6.03	7.60	8.29	9.1	7.5	24	average
Cincinnati Gas & Elec	13⅝	2.75	2.75	2.85	3.6	4.8	16	high
Cincinnati Milacron	29¼	0.97	– 0.42	1.04	NM	28.0	16	very low
Citicorp	33¼	5.33	6.32	7.10	12.3	4.7	32	high
Citizens & Southern Ga	13½	1.72	1.82	2.06	13.2	6.6	9	average
Citizens Fidelity	30¼	3.30	3.56	4.02	12.9	7.5	6	high
City Investing	35⅜	2.86	3.98	5.32	33.7	6.7	8	average
Cleveland Electric Illuminating	20⅞	3.01	3.11	3.15	1.3	6.6	16	high
Clorox	28¼	1.90	2.72a	3.07	12.8	9.2	15	very high
Coastal Corp	35	2.65	3.76	4.27	13.6	8.2	11	average
Coca-Cola	52⅞	3.95	4.24	4.95	16.7	10.7	25	high
Colgate-Palmolive	24	2.41	2.50	2.71	8.4	8.9	14	high
Colonial Penn Group	21	1.82	2.65	2.95	11.3	7.1	9	average
Colt Inds	48⅝	1.24	3.79	4.99	31.7	9.8	6	average
Columbia Gas System	33⅛	5.10	4.20	4.81	14.5	6.9	11	average
Combined International	37⅝	2.96	3.68	4.19	13.9	9.0	22	average
Combustion Engineering	32½	4.77	3.46	3.94	13.9	8.3	12	low
Commerce Clearing House	57	3.50	3.32	4.44	33.7	12.8	8	high
Commerce Union	19¼	2.61	2.96	3.26	10.1	5.9	5	average
Commonwealth Edison	27⅞	3.75	4.04	4.18	3.5	6.7	21	very high
Communications Satellite	38¼	2.70	2.97	3.28	10.4	11.8	17	average
Computervision	39	1.18	1.30	1.87	43.8	20.9	22	average
ConAgra	31⅛	2.56	2.95	3.56	20.7	8.8	4	average
Consolidated Edison	23⅞	3.55	3.79	3.87	2.1	6.2	20	high
Consolidated Foods	48⅛	5.39	5.75a	6.25	8.7	7.7	18	very high
Consolidated Freightways	55⅞	4.08	4.75	5.66	19.2	9.9	21	high
Consolidated Natural Gas	32¾	3.90	4.02	4.50	11.9	7.3	16	high
Consumers Power	19¼	3.16	3.19	3.22	0.9	6.0	16	high
Continental Corp	30⅛	2.04	1.35	2.21	63.7	13.6	23	very low
Continental Group	47½	4.80	5.15	6.54	27.0	7.3	13	average
Continental Illinois	21½	2.12	3.09	3.97	28.5	5.4	27	low
Continental Telecom	24	2.28	2.46	2.85	15.9	8.4	21	high
Control Data	46½	4.11	4.43	5.59	26.2	8.3	19	high
Convergent Technologies	18¾	0.42	0.44	1.04	136.4	17.6	15	low
Cooper Industries	33	2.75	1.39	2.57	84.9	12.9	20	low
Corning Glass Works	75½	3.52	4.37	6.02	37.8	12.5	10	low
Cox Communications	46⅜	2.31	2.61	3.16	21.1	14.7	19	very high
Crane	29½	– 0.33	–1.20	3.37	NM	8.8	3	very low
Cray Research	47⅝	1.38	1.75	2.30	31.4	20.7	12	very high
Crocker National	30⅛	3.56	3.24	4.06	25.3	7.5	14	average
Crown Cork & Seal	34⅛	3.15	3.92	4.65	18.6	7.4	6	average
Crown Zellerbach	31⅞	– 4.86	2.26	3.58	58.4	8.9	17	low
Cummins Engine	64½	0.21	– 0.13	9.76	NM	6.6	7	low
Dana	43¼	1.43	2.63	4.47	70.0	9.7	13	low
Dart & Kraft	69⅛	6.40	8.22	9.35	13.7	7.4	21	high
Dayton-Hudson	35⅛	2.06	2.50	2.99	19.6	11.7	22	very high
Dayton Power & Light	14⅜	2.65	2.70	2.81	4.1	5.1	11	high
Deere & Co	38⅛	0.78	–0.33	2.66	NM	14.3	23	very low

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Delmarva Power & Light	18	$2.13	$2.21	$2.36	6.8%	7.6	15	very high
Delta Air Lines	36	0.52	–2.18a	3.16	NM	11.4	23	very low
Deluxe Check Printers	40¼	2.83	3.25	3.71	14.2	10.9	13	very high
Deposit Guaranty	37¾	5.14	5.53	6.20	12.1	6.1	3	high
Detroit Edison	15¼	1.75	2.04	2.09	2.5	7.3	14	high
Diamond Shamrock	24½	2.37	1.66	2.45	47.6	10.0	14	low
Diebold	88¼	4.80	5.35	6.33	18.3	14.0	12	average
Digital Equipment	72½	7.53	5.00a	7.25	45.0	10.0	35	high
Walt Disney Productions	62	3.01	3.29	4.44	45.0	14.0	22	average
Dominion Bankshares	19¼	2.28	2.53	2.87	13.4	6.7	3	average
Donaldson, Lufkin & Jenrette	17⅛	1.41	1.57	1.68	7.0	10.2	4	low
RR Donnelley & Sons	43½	2.40	3.02	3.49	15.6	12.5	9	very high
Dorchester Gas	14½	1.01	1.01a	1.13	11.9	12.8	6	low
Dover	29½	2.52	2.12	2.76	30.2	10.7	7	average
Dow Chemical	36½	1.77	2.15	3.52	63.7	10.4	28	low
Dow Jones	48¼	1.41	1.72	2.12	23.3	22.8	13	high
Dravo	13⅜	–0.90	–0.61	0.93	NM	14.5	4	low
Dresser Industries	20⅛	2.19	0.05	1.53	2,960.0	13.3	25	very low
EI du Pont de Nemours	51¾	3.75	4.57	5.88	28.7	8.8	29	average
Duke Power	24⅞	3.07	3.50	3.65	4.3	6.8	22	very high
Dun & Bradstreet	58¾	2.53	2.99	3.59	20.1	16.4	12	very high
Duquesne Light	16½	1.75	2.16	2.24	3.7	7.4	12	very high
EG&G	34⅛	1.38	1.61	1.98	23.0	17.2	10	very high
E-Systems	35	1.21	1.61	1.93	19.9	18.1	19	very high
Eastern Air Lines	6	–3.82	–3.31	– 0.13	NM	NM	11	very low
Eastern Gas & Fuel Assocs	24⅝	2.91	2.37	2.50	59.2	9.8	14	very low
Eastman Kodak	69½	7.12	4.76	6.86	44.1	10.1	20	average
Eaton	45⅛	0.31	2.52	4.80	90.5	9.5	16	low
Jack Eckerd	26	1.90	1.91a	2.45	28.3	10.6	14	high
El Paso Co	23⅛	1.08	1.69	2.19	29.6	10.5	18	low
El Paso Electric	15⅛	2.30	2.40	2.48	3.3	6.1	5	high
Electronic Data Systems	39½	0.86	1.05a	1.30	23.8	30.4	14	very high
Emerson Electric	60⅞	4.37	4.49	5.29	17.8	11.5	15	very high
Emhart	56¼	6.53	6.51	7.34	12.7	7.7	4	average
Engelhard	36⅝	2.41	2.73	3.64	33.3	10.1	10	low
ENSERCH	22⅝	2.70	1.99	2.66	33.7	8.5	20	average
Entex	21⅛	2.25	2.65a	3.12	17.7	6.8	7	very high
Esmark	86½	6.79	7.00	8.72	24.6	9.9	9	average
Ethyl	26⅝	2.34	2.70	3.16	17.0	8.4	14	average
Evans Products	13¼	– 4.11	–1.09	0.88	NM	15.1	4	very low
Ex-Cell-O	39⅞	3.25	3.35	3.90	16.4	10.2	8	average
Exxon	39	4.82	5.19	5.74	10.6	6.8	31	high
FMC	45¾	4.23	4.39	5.52	25.7	8.3	11	high
Federal Express	83½	4.07	5.25	6.22	18.5	13.4	11	very high
Federal Nat! Mortgage Assn	25	–2.20	1.63	3.96	142.9	6.3	16	very low
Federated Dept Stores	58	4.79	6.10	7.03	15.2	8.3	21	high
Fidelcor	33¾	5.51	7.18	7.15	–0.4	4.7	3	very high
Financial Corp of America	41	2.40	7.23	8.59	18.8	4.8	4	low
Financial Corp of Santa Barbara	8⅛	–2.23	–1.45	0.40	NM	20.9	3	very low
Firestone Tire & Rubber	20⅞	0.04	2.06	2.89	40.3	7.2	10	average
First & Merchants	30⅛	4.41	4.74	5.15	8.6	5.9	3	average
First American	19⅜	2.76	2.97	3.30	11.1	5.9	4	very high
First Atlanta	22	2.72	2.91	3.29	13.1	6.7	7	very high
First Bank System	55¾	7.37	7.90	8.67	9.7	6.4	20	high
First Chicago	25¼	3.52	3.85	4.34	12.7	5.8	25	high
First City Bancorp Texas	19⅜	3.90	3.27	3.84	17.4	5.1	16	average
First Interstate Bancorp	45⅝	5.52	5.90	6.75	14.4	6.8	26	high

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First Kentucky Natl	28¼	$2.96	$3.24	$3.57	10.2%	7.9	5	high
First Tennessee Natl	22⅜	3.31	3.34	3.85	15.3	5.9	5	high
First Union	41	5.01	5.60	6.05	8.0	6.8	9	average
First Wisconsin	22¼	3.53	3.76	4.18	11.2	5.3	3	high
Fischbach	42¼	7.59	7.84	7.83	–0.1	5.4	6	average
Fleet Financial Group	47¼	6.36	6.57	7.41	12.8	6.4	6	average
Fleming Cos	29	1.98	2.34	2.66	13.7	10.9	7	high
Flickinger	26	2.10	2.42a	2.77	14.5	9.4	3	very high
Florida Power & Light	40	4.77	5.20	5.45	4.8	7.3	22	very high
Fluor	18	1.94	1.19	1.66	39.5	10.9	13	very low
Ford Motor	66	–6.22	12.38	16.10	30.0	4.1	18	low
Fort Howard Paper	59¼	3.43	3.83	4.42	15.4	13.4	19	high
Foster Wheeler	16⅜	1.67	1.41	1.51	7.1	10.9	10	average
Freeport-McMoRan	20⅜	0.95	1.34	2.23	66.4	9.1	16	very low
Fruehauf	46⅞	–2.47	0.43	6.24	1,351.2	7.5	5	average
GATX	33¾	2.41	1.43	2.61	82.5	13.0	9	low
GEICO	58½	3.83	4.54	5.27	16.1	11.1	16	average
GTE	45⅛	4.70	5.06	5.62	11.1	8.0	22	high
Gannett	60½	3.39	3.65	4.45	22.3	13.6	16	very high
Gelco	18⅜	2.51	–0.87a	1.52	NM	12.1	9	very low
General Cinema	43¾	2.38	3.03	3.52	16.2	12.4	15	very high
General Dynamics	54	2.41	5.01	6.10	21.8	8.9	20	average
General Electric	53⅜	4.00	4.49	5.15	14.7	10.4	21	high
General Foods	50⅜	5.73	6.21	6.83	10.0	7.4	17	very high
General Instrument	33¼	3.34	2.18	3.41	56.4	9.7	12	low
General Mills	50¾	4.89	5.49	6.19	12.8	8.2	12	very high
General Motors	76¾	3.09	11.03	15.27	38.4	5.0	18	average
General Public Utilities	7⅝	0.55	0.75	1.40	86.7	5.5	11	low
General Re	65	4.66	5.01	5.65	12.8	11.5	19	high
General Signal	45⅞	3.85	3.33	4.21	26.4	10.9	13	high
General Tire & Rubber	36⅛	1.13	2.76	4.71	70.7	7.7	9	low
Genuine Parts	44¼	2.77	3.03	3.67	21.1	12.1	17	high
Georgia-Pacific	25⅝	0.48	1.73	2.92	68.8	8.8	22	low
Getty Oil	69⅜	8.61	6.85	8.67	26.6	8.0	27	high
Giant Food	18⅜	2.53	2.80	3.17	13.2	5.8	3	average
Gibraltar Financial Corp of Calif	12	–1.91	1.98	2.89	46.0	4.2	10	low
Gillette	49⅞	4.45	4.84	5.61	15.9	8.9	14	high
Global Marine	10⅛	2.71	1.38	–1.02	NM	NM	13	very low
Golden West Financial	23⅞	–0.97	3.40	4.22	24.1	5.7	14	low
BF Goodrich	29¾	–2.43	2.19	4.92	124.7	6.1	13	very low
Goodyear Tire & Rubber	31⅛	3.35	3.26	4.56	39.9	6.8	10	low
Gould	30½	2.15	1.91	2.64	38.2	11.6	13	average
WR Grace	47⅝	5.27	4.10	5.18	26.3	9.2	14	low
WW Grainger	59¾	3.50	3.46	4.44	28.3	13.5	15	average
Great Northern Nekoosa	53¾	5.06	5.07	6.08	19.9	8.9	16	low
Great Western Financial	24¼	–2.68	2.35	4.27	81.7	5.7	14	low
Greyhound	23¼	2.29	2.51	3.16	25.9	7.4	12	average
Grumman	28¾	2.09	3.67	4.36	18.8	6.6	14	high
Gulf & Western Industries	26⅞	2.24	3.25a	3.29	1.2	8.2	9	average
Gulf Oil	45⅜	4.98	4.99	5.58	11.8	8.1	30	average
Gulf States Utilities	14⅞	1.95	2.27	2.34	3.1	6.4	15	high
Gulf United	28¾	3.11	3.26	3.53	8.3	8.1	5	high
Halliburton	41⅞	4.21	2.97	4.08	37.4	10.3	27	low
Hammermill Paper	41⅞	3.07	2.77	4.91	77.3	8.5	7	low
Harris Bankcorp	71¼	6.07	5.82	6.40	10.0	11.2	5	average
Harris Corp	36¾	2.42	1.78a	2.43	36.5	15.1	23	low
Hartford National	34¼	4.46	5.76	6.43	11.6	5.4	3	average

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Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via MicroScan from ISYS Corp.

Peering into the crystal ball: a look at 1984 earnings

Company	Recent price	Earnings per share* 1982	1983 estimates	1984 estimates	% change 1984 vs. 1983 estimates	1984 estimate P/E	1984 estimate number of analysts	1984 estimate confidence factor
G Heileman Brewing	40	$1.73	$2.21	$2.60	17.6%	15.4	14	high
HJ Heinz	33½	2.94	3.30	3.74	13.3	9.0	11	very high
Walter E Heller Intl	30⅜	1.34	1.78	2.77	55.6	11.0	3	very low
Helmerich & Payne	22⅝	2.98	1.91	1.94	1.6	11.7	17	very low
Hercules	38½	2.06	3.01	3.88	28.9	9.9	24	average
Hershey Foods	33	3.00	3.24	3.63	12.0	9.1	12	very high
Hewlett-Packard	39	1.52	1.63	2.16	32.5	18.1	28	average
Hilton Hotels	54⅛	3.12	3.45	4.40	27.5	12.3	21	high
Holiday Inns	51⅞	2.62	3.26	3.95	21.2	13.1	19	high
Homestake Mining	27⅛	0.51	1.19	1.87	57.1	14.5	11	low
Honeywell	126¾	8.73	9.63	12.43	29.1	10.2	21	average
George A Hormel	29	2.92	2.58	3.68	42.6	7.9	3	very low
Hospital Corp of America	43¼	2.25	2.80	3.45	23.2	12.5	28	very high
Household International	32	2.01	3.27	3.83	17.1	8.4	12	high
Houston Industries	22⅜	1.62	3.80	3.97	4.5	5.7	18	very high
Houston Natural Gas	45⅝	6.46	4.66a	5.71	22.5	8.0	17	average
Hughes Tool	21	2.65	0.06	1.41	2,250.0	14.9	27	very low
Humana	30¼	1.61	1.96a	2.45	25.0	12.3	26	high
EF Hutton Group	34¾	3.46	5.54	5.94	7.2	5.9	5	low
IC Industries	44⅛	2.82	4.00	5.45	36.3	8.1	6	average
IU International	27⅛	1.44	1.90	2.82	48.4	9.6	10	low
Idaho Power	32⅝	4.71	4.17	4.23	1.4	7.7	13	average
Illinois Power	22⅜	3.04	3.19	3.30	3.4	6.8	17	high
Imperial Corp of America	11	–4.30	–0.10	1.81	NM	6.1	11	very low
Indianapolis Power & Light	28½	3.41	3.68	3.83	4.1	7.5	17	high
Ingersoll-Rand	52¼	2.35	–0.03	3.59	NM	14.5	21	very low
Inland Steel	31⅛	–6.27	–1.73	4.38	NM	7.1	16	very low
Intel	37¾	0.32	0.95	1.53	61.1	24.7	24	low
Interco	69⅝	5.22	7.14	8.69	21.7	8.0	7	average
InterFirst	18	4.09	1.85	3.14	69.7	5.7	22	low
Intl Business Machines	130½	7.39	8.93	10.38	16.2	12.6	35	very high
Intl Flavors & Fragrances	32	1.73	1.97	2.34	18.8	13.7	12	average
Intl Harvester	12¼	–51.41	–15.45	–1.84	NM	NM	4	very low
Intl Minerals & Chemical	46¼	5.13	3.02a	3.96	31.1	11.7	17	average
Intl Multifoods	31	4.20	4.61	5.00	8.5	6.2	3	average
Intl Paper	52	2.72	3.40	5.21	53.2	10.0	21	low
Intl Telephone & Tel	41¾	4.75	4.63	5.46	17.9	7.6	17	high
InterNorth	39	3.01	4.77	5.44	14.0	7.2	18	high
Iowa-Illinois Gas & Elec	26⅛	3.95	3.88	4.05	4.4	6.5	4	very high
Irving Bank	50½	9.31	9.99	10.45	4.6	4.8	13	high
Jefferson-Pilot	36⅜	4.02	4.29	4.76	11.0	7.6	20	average
Jewel Cos	51	6.82	6.09	6.82	12.0	7.5	5	high
Johnson & Johnson	45½	2.85	2.82	3.50	24.1	13.0	25	very high
Johnson Controls	44¼	3.83	4.05	4.60	13.6	9.6	6	high
Joy Manufacturing	26⅛	4.27	0.58	1.63	181.0	16.0	20	very low
K mart	36½	2.06	3.28	4.07	24.1	9.0	23	low
Kaiser Alum & Chem	19½	–2.68	–2.00	2.32	NM	8.4	17	very low
Kaneb Services	17	2.62	1.94	1.99	2.6	8.6	9	low
Kansas City Power & Light	32⅝	4.18	4.70	4.78	1.7	6.8	6	high
Kansas Gas & Elec	20⅝	3.00	3.02	3.07	1.7	6.7	9	high
Kansas Power & Light	28⅜	3.60	3.65	3.78	3.6	7.5	12	very high
Kellogg	29¾	2.98	3.13	3.41	8.9	8.7	22	very high
Kemper	40¾	5.30	5.55	6.28	13.2	6.5	12	average
Kentucky Utilities	22⅝	2.78	2.77	2.85	2.9	7.9	9	high
Kerr-McGee	32	3.98	3.31	4.08	23.3	7.8	19	low
Key Pharmaceuticals	28⅜	0.51	0.78	1.15	47.4	24.8	9	average
Kidde	26¼	3.60	3.42	4.18	22.2	6.3	3	very high

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Kimberly-Clark	94	$8.21	$8.54	$10.12	18.5%	9.3	16	high
Knight-Ridder Newspapers	57	3.14	3.65	4.41	20.8	12.9	19	high
Koppers	17¼	0.20	0.80	1.81	126.3	9.5	11	low
Kroger	36½	4.84	3.64	4.87	33.8	7.5	13	average
LTV	15¾	–3.20	–3.11	2.60	NM	6.1	8	very low
Lear Siegler	42¼	4.16	3.70a	4.60	24.3	9.2	12	high
Levi Strauss	42¾	3.05	4.84	5.65	16.7	7.6	15	high
Eli Lilly	63¾	5.42	6.05	6.79	12.2	9.4	25	very high
Limited	25½	0.57	1.02	1.35	32.4	19.0	7	low
Lincoln National	55¾	5.64	6.61	7.45	12.7	7.5	21	high
Litton Industries	62¼	7.39	5.52a	6.34	14.9	9.8	18	very high
Lockheed	41⅞	3.65	4.19	4.92	17.4	8.5	24	high
Long Island Lighting	14¾	2.70	2.69	2.75	2.2	5.4	15	very high
Longs Drug Stores	44¼	2.92	3.48	3.98	14.4	11.1	11	high
La Land & Exploration	27¼	2.01	2.62	3.13	19.5	8.7	14	low
Louisiana-Pacific	26	–0.52	1.37	2.87	109.5	9.1	17	low
Lowe's Cos	22	0.76	1.38	1.81	31.2	12.1	16	average
Lubrizol	26¾	1.21	1.72	2.17	26.2	12.3	14	average
Lucky Stores	21⅝	1.77	2.32	2.69	15.9	8.1	12	average
M/A-Com	22⅛	0.80	0.86	1.33	54.7	16.6	26	average
MCA	35¼	3.69	3.17	3.35	5.7	10.5	14	average
MCI Communications	14⅛	0.85	1.09	1.32	21.1	10.7	20	low
RH Macy	54⅞	2.74	3.72a	4.42	18.8	12.4	19	average
Malone & Hyde	32½	1.76	2.12a	2.44	15.1	13.3	11	very high
Manufacturers Hanover	38¾	7.82	8.27	8.94	8.1	4.3	24	high
MAPCO	24¼	2.67	2.05	3.08	50.2	7.9	11	average
Marine Midland Banks	22¾	4.61	4.63	5.24	13.2	4.4	5	average
Marriott	70	3.46	4.18	5.14	23.0	13.6	15	high
Marsh & McLennan Cos	44¾	3.36	3.53	4.00	13.3	11.2	14	very high
Martin Marietta	40¾	1.95	3.21	4.42	37.7	9.2	17	low
Mary Kay Cosmetics	21	1.18	1.46	1.73	18.5	12.1	12	average
Maryland National	30¾	5.29	4.84	5.66	16.9	5.4	6	average
Masco	31¾	1.78	1.97	2.72	38.1	11.7	11	average
Mattel	7¼	1.78	–4.60	1.02	NM	7.1	7	very low
May Dept Stores	51½	4.83	5.91	6.75	14.2	7.6	19	very high
McDonald's	66⅛	5.00	5.73	6.61	15.4	10.0	17	very high
McDonnell Douglas	52⅜	5.44	6.25	7.52	20.3	7.0	20	average
McGraw-Edison	37	3.11	2.50	4.04	61.6	9.2	11	average
McGraw-Hill	45½	2.20	2.54	3.02	18.9	15.1	12	very high
Mead	33⅜	–2.38	0.95	3.17	233.7	10.5	13	low
Medtronic	48½	3.34	3.80	4.41	16.1	11.0	9	very high
Mellon National	43⅞	7.25	7.60	8.39	10.4	5.2	16	high
Melville	37¼	2.73	3.29	3.92	19.1	9.5	12	very high
Mercantile Stores	54	4.74	5.68	6.58	15.8	8.2	6	high
Mercantile Texas	28⅞	4.21	4.35	4.86	11.7	5.9	12	high
Merck	100⅞	5.61	6.23	7.14	14.6	14.1	28	very high
Merrill Lynch	31	3.80	4.85	5.24	8.0	5.9	7	low
Mesa Petroleum	15¾	1.72	1.74	1.71	–1.7	9.0	17	low
Metromedia	28¼	1.52	1.57	2.16	37.6	13.1	10	average
MidCon	38¾	4.50	4.16	4.68	12.5	8.3	10	average
Middle South Utilities	15¾	2.33	2.37	2.48	4.6	6.4	16	high
Minnesota Mining & Mfg	85⅛	5.37	5.99	7.37	23.0	11.6	19	high
Minnesota Power	26¼	3.51	3.54	3.58	1.1	7.3	9	very high
Mission Insurance Group	28⅛	4.01	2.81	3.39	20.6	8.3	18	low
Mitchell Energy & Develop	24⅝	1.68	1.97	2.58	31.0	9.6	17	average
Mobil	31⅛	3.31	3.88	4.64	19.6	6.7	29	average
Monsanto	111	8.21	10.17	12.82	26.1	8.7	29	average

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Montana Power	28	$ 3.97	$ 3.95	$ 4.25	7.6%	6.6	13	very high
JP Morgan	66¼	10.67	11.04	12.10	9.6	5.5	28	high
Morrison-Knudsen	30⅜	3.86	3.80	4.11	8.2	7.4	5	average
Morton Thiokol	78	4.21	5.15a	6.24	21.2	12.5	9	high
Motorola	143⅛	4.64	5.73	8.38	46.2	17.1	28	average
Mountain Fuel Supply	28	2.79	2.96	3.22	8.8	8.7	9	average
Murphy Oil	30¾	4.31	3.63	3.94	8.5	7.8	10	low
NCNB	24⅞	3.22	3.64	4.05	11.3	6.2	18	high
NCR	126	8.75	10.44	12.68	21.5	9.9	20	high
NBD Bancorp	39½	6.22	6.72	7.23	7.6	5.5	7	very high
NL Industries	17⅝	3.19	–0.47	1.22	NM	14.5	20	very low
Nabisco Brands	40⅛	4.41	4.84	5.37	11.0	7.5	21	very high
Nalco Chemical	34¼	1.46	1.94	2.41	24.2	14.2	16	average
National Can	25¼	3.29	2.50	3.90	56.0	6.5	7	average
National City	44½	6.02	6.49	6.90	6.3	6.5	7	high
Natl Distillers & Chemical	27¾	2.15	2.23	3.33	49.3	8.3	6	average
National Intergroup	28⅛	–6.25	–3.19	4.87	NM	5.8	11	very low
Natl Medical Enterprises	22⅞	1.47	1.81	2.23	23.2	10.3	6	average
Natl Semiconductor	54	–0.72	1.94	3.14	61.9	17.2	16	very low
National Service Inds	40	3.07	3.37a	3.76	11.6	10.6	4	very high
New England Electric System	39⅝	4.65	5.23	5.31	1.5	7.5	16	high
New York State Elec & Gas	21½	3.36	3.34	3.49	4.5	6.2	15	very high
New York Times	85½	4.31	5.78	6.63	14.7	12.9	14	high
Newmont Mining	49⅜	1.76	2.59	5.04	94.6	9.8	18	very low
Niagara Mohawk Power	17⅝	2.64	2.66	2.76	3.8	6.4	14	very high
NICOR	29½	3.30	2.69	3.45	28.3	8.5	10	low
NIKE	18	1.53	1.86	2.13	14.5	8.5	5	average
Noble Affiliates	16¼	1.49	0.78	1.33	70.5	12.6	19	low
Norfolk Southern	66⅛	6.57	5.59	7.32	30.9	9.1	21	average
North American Philips	71⅛	5.24	6.30	7.14	13.3	10.0	3	high
Northeast Utilities	13¼	1.76	2.13	2.19	2.8	6.1	15	high
Northern Indiana Pub Svc	15	0.90	1.58	1.83	15.8	8.2	17	average
Northern States Power	37	4.79	5.09	5.19	2.0	7.1	20	very high
Northrop	82¼	0.36	6.03	9.65	60.0	8.6	19	low
Northwest Airlines	42	0.23	2.34	4.22	80.3	10.0	21	low
Northwest Bancorp	36⅞	4.02	4.71	5.29	12.3	7.0	22	high
Northwest Energy	38¼	1.87	3.31	3.86	16.6	9.9	12	high
Northwest Industries	39¼	8.75	1.41	4.98	253.2	8.0	7	low
Northwestern Financial	29¾	3.67	3.83	4.15	8.4	7.2	3	high
Norton	42⅜	1.13	2.50	3.73	49.2	11.4	8	average
Occidental Petroleum	25⅛	0.69	0.62	1.52	145.2	16.5	9	very low
Ogden	29⅜	3.01	3.24	4.03	24.4	7.3	5	average
Ohio Casualty	47	4.91	5.50	6.26	13.8	7.5	18	average
Ohio Edison	14⅞	1.89	2.16	2.26	4.6	6.6	17	high
Oklahoma Gas & Elec	19½	2.57	2.56	2.71	5.9	7.2	20	high
Olin	30⅝	2.66	3.29	4.24	28.9	7.2	11	average
ONEOK	29¾	4.88	2.75a	3.99	45.1	7.5	8	average
Overseas Shipholding Group	21¾	2.35	1.82	2.67	46.7	8.2	3	very low
Owens-Illinois	32	1.35	3.23	4.29	32.8	7.5	11	average
PHH Group	32¾	2.19	2.48	2.98	20.2	11.0	6	very high
PNC Financial	42⅛	5.63	5.91	6.62	12.0	6.4	6	very high
PPG Industries	35¼	2.31	3.14	4.00	27.4	8.8	12	average
PACCAR	100	4.11	4.57	10.89	138.3	9.2	9	low
Pacific Gas & Elec	15⅞	2.46	2.32	2.56	10.3	6.2	19	very hi
Pacific Lighting	35	4.57	5.04	5.53	9.7	6.3	6	hi
Pacific Power & Light	23⅜	3.03	2.82	3.39	20.2	7.0	18	hig
Paine Webber	32⅞	1.90	5.85	5.87	0.3	5.6	3	low

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Pall	33⅜	$ 1.40	$1.55a	$1.85	19.4%	18.2	11	very high
Pan American World Airways	7⅝	–6.30	–0.35	0.65	NM	11.7	15	very low
Panhandle Eastern	36½	6.17	3.96	4.86	22.7	7.5	18	average
Parker Drilling	9⅞	2.65	–0.88a	0.12	NM	82.3	21	very low
Parker-Hannifin	29½	2.12	1.17a	2.36	101.7	12.5	14	low
Parsons	23½	1.73	1.84	2.01	9.2	11.7	7	very high
Payless Cashways	22½	0.96	1.29	1.60	24.0	14.1	15	high
Penn Central	38¾	2.73	2.61	2.97	13.8	13.0	7	high
JC Penney	61½	5.73	6.60	7.72	17.0	8.0	21	average
Pennsylvania Power & Light	23¼	3.35	3.32	3.43	3.3	6.8	15	very high
Pennzoil	34⅞	3.60	2.88	4.10	42.4	8.5	18	average
Peoples Energy	9⅝	1.54	1.25	1.36	8.8	7.1	7	average
PepsiCo	34⅝	3.23	3.27	3.89	19.0	8.9	25	average
Perkin-Elmer	34	1.45	1.15a	1.76	53.0	19.3	27	average
Petrolane	15	2.00	–0.28	0.84	NM	17.8	13	very low
Pfizer	41⅛	2.13	2.73	3.25	19.0	12.6	26	high
Phelps Dodge	23¼	–3.59	–0.29	2.61	NM	8.9	19	very low
Phibro-Salomon	27¼	2.48	3.47	4.47	28.8	6.1	11	low
Philadelphia Electric	17⅛	2.39	2.42	2.50	3.3	6.9	12	very high
Philip Morris	69⅜	6.23	7.22	8.40	16.3	8.3	23	very high
Phillips Petroleum	33¼	4.23	4.18	4.75	13.6	7.0	33	average
Pic'n'Save	43½	1.75	2.23	2.70	21.1	16.1	7	high
Pillsbury	73¾	6.39	7.33	8.14	11.1	9.1	12	high
Pioneer	26¼	1.66	2.58	3.19	23.6	8.2	18	average
Pioneer Hi-Bred International	27¾	2.24	1.26	2.51	99.2	11.1	12	average
Pitney Bowes	30⅞	2.16	2.71	3.22	18.8	9.6	13	high
Pittston	16½	–0.31	–0.01	0.79	NM	20.9	14	very low
Pneumo	25¼	1.69	2.38	2.69	13.0	9.4	8	high
Pogo Producing	24⅝	2.05	0.96	1.65	71.9	14.9	9	low
Polaroid	34½	0.73	1.58	2.72	72.2	12.7	16	low
Portland General Electric	14¼	3.02	2.59	2.67	3.1	5.3	8	average
Potlatch	35	0.87	2.35	3.82	62.6	9.2	15	low
Potomac Electric Power	20½	2.28	2.48	2.60	4.8	7.9	20	very high
Premier Industrial	35⅞	1.49	1.88	2.24	19.1	16.0	5	average
Primark	36⅛	3.10	3.45	4.60	33.3	7.9	7	average
Prime Computer	15⅝	0.99	0.72	1.14	58.3	13.8	28	average
Procter & Gamble	57¾	4.70	5.22a	5.72	9.6	10.1	19	very high
Provident Life & Accident	64½	7.16	8.11	9.08	12.0	7.1	8	average
Public Svc Co of Colorado	17⅜	2.17	2.01	2.22	10.4	7.8	20	high
Public Svc Co of Indiana	26	4.55	4.36	4.58	5.0	5.7	19	high
Public Svc Co of New Hampshire	17¼	2.73	2.99	3.04	1.7	5.7	4	average
Public Svc Co of New Mex	28⅞	3.22	3.37	3.54	5.0	8.2	12	high
Public Svc Elec & Gas	24½	3.24	3.25	3.50	7.7	7.0	20	very high
Puget Sound Power & Light	14½	2.29	1.91	2.04	6.8	7.1	7	average
Quaker Oats	57¼	4.76	5.48a	6.58	20.4	8.7	23	very high
RCA	33	2.03	2.13	2.87	34.7	11.5	13	average
Rainier Bancorp	35¼	4.12	4.70	5.29	12.6	6.7	12	high
Ralston Purina	25	1.58	2.47	2.81	13.8	8.9	23	average
Raychem	75½	4.07	3.23a	4.09	26.6	18.5	7	high
Raytheon	43½	3.78	3.71	4.52	21.8	9.6	27	high
Reading & Bates	13⅜	2.35	1.55	1.33	–14.2	10.0	17	very low
Republic Airlines	4	–1.99	–3.89	–0.22	NM	NM	13	very low
Republic Steel	26¾	–15.07	–7.05	3.81	NM	7.0	13	very low
RepublicBank	33⅞	5.65	5.63	6.27	11.4	5.4	21	high
Revco Drug Stores	35½	2.13	2.48	2.79	12.5	12.7	6	high
Revlon	31½	2.41	2.73	3.35	22.7	9.4	17	high
RJ Reynolds Industries	61¾	6.96	7.34	8.25	12.4	7.5	23	high

*For fiscal years ending June through May of the following year. a: Actual 1983 earnings. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from ISYS Corp.

Peering into the crystal ball: a look at 1984 earnings

Company	Recent price	Earnings per share* 1982	1983 estimates	1984 estimates	% change 1984 vs. 1983 estimates	1984 estimate P/E	1984 estimate number of analysts	1984 estimate confidence factor
Reynolds Metals	37⅞	$–0.98	$–2.96	$3.24	NM	11.7	19	very low
Richardson-Vicks	28⅜	2.74	2.10a	2.72	29.5%	10.4	9	low
Rite Aid	39⅞	2.37	2.84	3.31	16.5	12.1	11	very high
Roadway Services	68¼	3.83	4.85	5.64	16.3	12.1	20	high
AH Robins	26	1.98	2.43	2.79	14.8	9.3	17	high
Rochester Gas & Elec	17¼	2.81	3.05	3.17	3.9	5.4	5	very high
Rockwell Intl	30¾	2.11	2.41	3.02	25.3	10.2	18	high
Rohm & Haas	74¼	3.31	5.06	6.19	22.3	12.0	18	average
Rollins Inc	17	1.70	0.80a	1.00	25.0	17.0	7	very low
ROLM	55¼	1.70	1.80a	2.25	25.0	24.6	23	average
Rowan Cos	11⅛	2.36	0.65	0.50	–23.1	23.5	18	very low
Safeco	57¾	5.73	6.32	7.01	10.9	8.2	26	average
Safeway Stores	27⅜	3.05	3.26	3.84	17.8	7.1	11	high
St Paul Cos	57½	9.23	7.93	8.69	9.6	6.6	23	average
St Regis Paper	29⅞	1.29	1.92	3.57	85.9	8.4	18	low
San Diego Gas & Elec	19⅝	2.90	2.85	3.03	6.3	6.5	14	very high
Santa Fe Industries	30	2.08	2.79	3.40	21.9	8.8	18	average
Schering-Plough	41⅜	3.39	3.57	4.00	12.0	10.3	27	high
SCM	31⅞	3.01	3.15a	4.55	44.4	7.0	8	average
SCOA Industries	31⅝	1.92	2.30	3.11	35.2	10.2	5	average
Scott Paper	28¾	1.61	2.40	3.22	34.2	8.9	13	average
GD Searle	51⅝	2.77	2.77	3.61	30.3	14.3	25	average
Sears, Roebuck	38¼	2.46	3.50	4.22	20.6	9.1	22	average
Security Pacific	48⅞	6.53	7.06	7.85	11.2	6.2	26	very high
SEDCO	36¼	3.86	6.04a	5.23	–13.4	7.0	23	average
Sensormatic Electronics	31½	0.93	1.21	1.64	35.5	19.2	6	average
Service Merchandise	23½	1.20	1.53	1.92	25.5	12.2	12	low
Servicemaster Industries	35	0.98	1.19	1.45	21.8	24.1	12	very high
Shared Medical Systems	36⅞	0.88	1.10	1.37	24.5	26.9	19	very high
Shawmut	37	5.84	5.03	6.08	20.9	6.1	3	low
Shell Oil	45⅛	5.19	4.94	5.66	14.6	8.0	33	average
Sherwin-Williams	24¾	1.78	2.13	2.63	23.5	9.4	8	average
Signal Cos	32⅞	1.56	0.96	3.08	220.8	10.7	10	average
Singer	25¾	–1.62	1.44	3.05	111.8	8.3	14	low
Smith Intl	26½	3.61	–0.28	1.57	NM	16.9	28	very low
SmithKline Beckman	66¾	5.51	6.15	6.95	13.0	9.6	27	very high
Society	28½	4.59	4.84	5.27	8.9	5.4	3	high
SONAT	38½	5.05	5.18	5.18	0.0	7.4	21	average
South Carolina Elec & Gas	19⅞	2.32	2.43	2.50	2.9	8.0	13	high
Southeast Banking	24¼	2.81	3.25	3.69	13.5	6.6	13	average
Southern California Edison	39	5.13	5.97	6.01	0.7	6.5	24	very high
Southern Co	16¾	2.26	2.35	2.49	6.0	6.7	20	very high
Southern New England Tel	35¼	3.06	4.01	4.01	0.0	8.8	10	average
Southern Pacific	37¾	2.15	3.09	3.82	23.6	9.9	13	low
Southland Corp	41⅜	2.94	3.32	4.86	46.4	8.6	14	low
Southland Royalty	18	0.64	0.79	0.99	25.3	18.2	13	low
Southwest Airlines	32¾	1.60	1.94	2.69	38.7	12.2	18	average
Southwest Bancshares	27⅞	4.31	3.07	4.04	31.6	6.9	7	average
Southwestern Public Svc	19¼	2.02	2.36a	2.44	3.4	7.9	13	very high
Sperry	44⅞	2.36	3.94	5.60	42.1	8.0	12	average
Square D	35⅛	2.61	2.25	3.26	44.9	10.8	11	high
Squibb	50⅜	3.01	3.31	3.80	14.8	13.3	27	very high
AE Staley Manufac	23½	2.75	0.54	2.85	427.8	8.3	15	low
Standard Oil of California	37⅛	4.03	4.57	5.33	16.6	7.0	31	average
Standard Oil (Indiana)	50	6.25	6.23	6.99	12.2	7.2	32	high
Standard Oil Ohio	53½	7.63	6.82	7.64	12.0	7.0	30	high
Stanley Works	23¼	1.34	1.80	2.51	39.4	9.3	11	high

*For fiscal years ending June through May of the following year. a: Actual 1983 earnings. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from ISYS Corp.

Peering into the crystal ball: a look at 1984 earnings

Company	Recent price	Earnings per share* 1982	1983 estimates	1984 estimates	% change 1984 vs. 1983 estimates	1984 estimate P/E	1984 estimate number of analysts	1984 estimate confidence factor
State Street Boston	31¾	$4.38	$4.39	$4.97	13.2%	6.4	4	average
Stauffer Chemical	28½	2.81	1.05	3.02	187.6	9.5	22	low
Sterling Drugs	27¾	2.17	2.27	2.54	11.9	10.9	26	very high
JP Stevens	17½	1.54	1.12	2.46	119.6	7.1	7	low
Stop & Shop Cos	61¼	3.44	4.38	5.23	19.4	11.7	3	high
Storage Technology	17½	1.84	0.48	1.27	164.6	13.7	17	very low
Sun Banks of Florida	28⅛	3.03	3.30	3.73	13.0	7.6	14	high
Sun Co	44⅛	4.40	4.32	4.84	12.0	9.1	26	average
Sundstrand	43½	3.77	2.50	4.15	66.0	10.5	12	average
Super Valu Stores	33⅛	1.85	2.27	2.69	18.5	12.4	11	high
Superior Oil	33⅜	1.75	1.34	1.94	44.8	17.2	22	low
Supermarkets Genl	22⅞	2.11	2.46	2.89	17.5	7.9	7	average
Swift Independent	30⅝	5.07	4.61	5.75	24.7	5.3	5	average
Sysco	36¾	1.71	1.94a	2.29	18.0	16.0	14	very high
TECO Energy	25⅛	2.49	3.10	3.30	6.5	7.6	18	high
TRW	74⅞	4.73	5.32	6.79	27.6	11.0	15	high
Tampax	52⅞	3.84	4.58	5.20	13.5	10.2	12	very high
Tandem Computers	34	0.76	0.80	1.30	62.5	26.1	27	average
Tandon	21½	0.36	0.65	1.10	69.2	19.6	17	low
Tandy	36	2.17	2.67a	3.24	21.3	11.1	27	high
Tektronix	78¾	2.57	4.48	6.30	40.6	12.5	9	average
Teledyne	169	12.62	15.69	19.09	21.7	8.9	7	very high
Tenneco	41	5.73	5.41	6.38	17.9	6.4	23	high
Texaco	37⅜	4.92	5.28	5.92	12.1	6.3	32	averagre
Texas Air	6⅛	–7.27	–4.64	0.78	NM	7.9	9	very low
Texas American Bancshares	35½	4.96	4.38	5.07	15.8	7.0	6	average
Texas Commerce Bancshares	39⅞	5.35	5.67	6.25	10.2	6.4	21	very high
Texas Eastern	61¾	7.08	6.35	7.69	21.1	8.0	22	average
Texas Gas	50½	5.49	4.87	5.54	13.8	9.1	9	very high
Texas Instruments	116⅜	6.10	–0.11	10.22	NM	11.4	26	low
Texas Oil & Gas	43⅜	2.35	2.81a	3.37	19.9	13.0	25	very high
Texas Utilities	25¾	3.85	3.97	4.16	4.8	6.2	22	very high
Textron	36	2.02	2.66	3.61	35.7	10.0	10	average
Third National	38½	4.87	5.54	6.23	12.5	6.2	4	high
Thrifty Corp	18⅞	0.92	1.27a	1.38	8.7	13.7	3	very high
Tidewater	21⅝	3.07	1.68	2.45	45.8	8.8	12	low
Tiger International	5⅝	–8.04	–3.47	0.69	NM	8.2	3	very low
Time Inc	66	2.45	3.14	4.47	42.4	14.8	17	average
Times Mirror	81¾	4.09	5.09	6.50	27.7	12.6	21	high
Timken	60½	–0.27	0.58	4.78	724.1	12.7	5	low
Toledo Edison	20¾	3.18	3.20	3.31	3.4	6.3	7	very high
Torchmark	37¾	4.01	4.48	5.01	11.8	7.5	14	very high
Tosco	4⅞	0.64	–2.29	2.25	NM	2.2	6	very low
Toys "R" Us	42⅝	1.17	1.57	2.03	29.3	21.0	14	high
Trans World	30½	0.25	1.25	3.78	202.4	8.1	16	very low
Transamerica	28⅝	2.86	3.06	3.87	26.5	7.4	15	average
Transco Energy	38½	5.26	4.79	5.36	11.9	7.2	20	average
TRANSOHIO Financial	10⅛	–6.40	1.00	1.21	21.0	8.4	4	very low
Travelers	31¼	3.67	4.02	4.55	13.2	6.9	23	average
Trust Co of Georgia	40	3.86	4.54	5.15	13.4	7.8	4	very high
Tucson Electric Power	35⅞	3.11	3.90	4.37	12.1	8.2	16	average
UAL	29⅛	0.36	2.55	4.33	69.8	6.7	19	low
USF&G	55¼	3.98	5.32	5.99	12.6	9.2	20	low
Union Camp	70	5.10	5.65	7.34	29.9	9.5	20	average
Union Carbide	64⅜	4.47	4.48	7.62	70.1	8.5	29	low
Union Electric	15½	2.17	2.42	2.49	2.9	6.2	12	high
Union Oil Co of Calif	29¼	4.63	3.94	4.73	20.1	6.3	35	average

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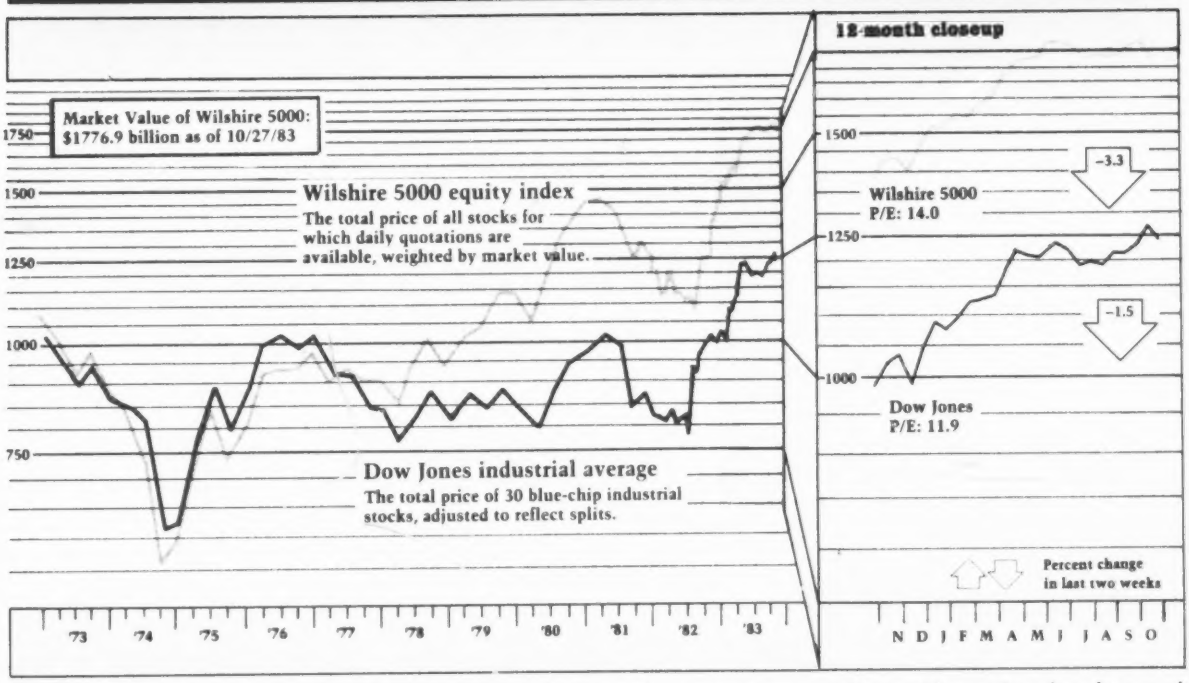
Peering into the crystal ball: a look at 1984 earnings

Company	Recent price	Earnings per share* 1982	1983 estimates	1984 estimates	% change 1984 vs. 1983 estimates	1984 estimate P/E	1984 estimate number of analysts	1984 estimate confidence factor
Union Pacific	57½	$3.38	$3.77	$4.86	28.9%	11.8	22	average
Uniroyal	16¼	0.78	1.64	2.38	45.1	7.0	7	low
United Banks of Colorado	17¾	2.43	2.69	3.12	16.0	5.7	4	high
United Energy Resources	27¾	6.42	3.99	4.87	22.1	5.7	16	low
USAir Group	28¼	2.88	2.98	3.93	31.9	7.2	19	low
US Bancorp	25⅝	2.92	3.22	3.71	15.2	6.9	15	high
United States Gypsum	48¾	2.60	3.88	6.00	54.6	8.1	12	low
US Shoe	38¾	2.72	3.42	4.00	17.0	9.7	13	high
United States Steel	28⅜	–3.99	–2.86	3.42	NM	8.3	17	very low
US Tobacco	35¾	2.01	2.43	2.83	16.5	12.6	12	very high
United Technologies	65⅜	6.41	7.55	8.81	16.7	7.4	23	high
United Telecommunications	23⅜	2.49	2.75	3.10	12.7	7.5	21	high
United Virginia Bankshares	30⅞	3.88	4.28	4.70	9.8	6.6	4	very high
Universal Leaf Tobacco	39⅞	3.93	4.21a	4.89	16.2	8.2	8	high
Upjohn	59¾	4.18	4.97	5.61	12.9	10.7	26	average
USLIFE	26⅜	3.71	3.74	4.24	13.4	6.2	15	average
Utah Power & Light	23½	2.38	2.48	2.57	3.6	9.1	17	high
VF	65¾	5.63	7.08	8.10	14.4	8.1	8	very high
Valero Energy	23¾	3.21	2.51	4.21	67.7	5.7	9	low
Valley National	22¼	3.03	2.90	3.40	17.2	6.6	14	high
Varian Associates	52½	1.48	2.05	2.66	29.8	19.7	15	average
Virginia Natl Bankshares	33¾	4.48	4.84	5.37	11.0	6.3	4	very high
Vulcan Materials	60½	4.73	4.42	6.34	43.4	9.5	9	average
Wachovia	45⅜	4.85	5.35	5.89	10.1	7.7	25	high
Wal-Mart Stores	40¼	0.91	1.32	1.72	30.3	23.4	15	average
Walgreen	37⅛	1.86	2.17	2.58	18.9	14.4	12	high
Jim Walter	35¼	1.74	3.94	5.56	41.1	6.3	15	average
Wang Laboratories	32¾	0.88	1.16a	1.58	36.2	20.7	28	average
Warner Communications	22⅝	3.96	–2.88	2.11	NM	10.7	15	very low
Warner-Lambert	30	2.05	2.48	2.85	14.9	10.5	26	very high
Washington Post	67¼	3.70	4.52	5.47	21.0	12.3	13	high
Washington Water Power	20¾	3.17	3.04	3.18	4.6	6.5	6	high
Waste Management	42¼	2.40	2.68	3.65	36.2	11.6	12	average
Wells Fargo	38⅜	5.93	5.80	6.34	9.3	6.1	24	high
Wendy's International	16⅝	1.13	1.32	1.54	16.7	10.8	14	high
West Point-Pepperell	48¼	4.14	4.86	5.77	18.7	8.4	10	average
Western Co of North Amer	10⅝	1.27	–0.21	0.27	NM	39.0	19	very low
Western Union	31⅞	3.34	3.67	4.11	12.0	7.8	11	low
Westinghouse Elec	48⅝	5.16	4.92	6.15	25.0	7.9	18	average
Westvaco	32	2.40	2.22	3.49	57.2	9.2	15	average
Wetterau	19⅝	1.91	2.13	2.48	16.4	7.9	5	high
Weyerhaeuser	34⅛	0.90	1.65	3.28	98.8	10.4	24	low
Whirlpool	48⅛	3.83	4.54	5.55	22.2	8.7	12	very high
White Consolidated Industries	42½	2.06	2.89	4.29	48.4	9.9	10	average
Whittaker	30	3.77	2.55	4.37	71.4	6.9	8	low
Willamette Industries	36¼	0.35	1.97	3.70	87.8	9.8	16	low
Williams Cos	26⅛	1.15	1.21	2.56	111.6	10.4	14	very low
Winn-Dixie Stores	49¼	4.18	4.54a	4.98	9.7	9.9	9	very high
Wisconsin Electric Power	27	3.60	3.72	3.85	3.5	7.0	25	very high
Wisconsin Power & Light	28¼	3.51	3.64	3.82	4.9	7.4	13	very high
Witco Chemical	32¼	2.03	3.19	3.94	23.5	8.2	8	very high
FW Woolworth	36⅞	1.40	3.50	4.32	23.4	8.6	12	average
Wyman-Gordon	34½	2.95	2.42	3.06	26.4	11.3	9	low
Xerox	47¾	4.47	4.60	5.80	26.1	8.2	19	average
Zapata	18⅛	4.73	2.71	1.53	–43.5	11.8	12	very low
Zayre	43	2.26	3.13	3.84	22.7	11.2	12	average
Zenith Radio	30⅞	–1.15	2.20	2.96	34.5	10.4	8	average
Zion Utah Bancorp	32¼	3.86	4.29	4.87	13.5	6.6	3	average

*For fiscal years ending June through May of the following year. a: Actual 1983 earnings. NM: Not meaningful.

Source: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Micro/Scan from ISYS Corp.

The Forbes/Wilshire 5000 Review



Weakness before strength. The troubles of the secondary issues have finally caught up with the blue chips. The Wilshire index peaked on June 24 and is now off some 5.5%. But over this same period the blue chip Dow remained flat, the Amex lost 13.3% and NASDAQ weathered a 15.6% decline. Over the last two weeks the Dow industrials fell 1.5% and the NYSE declined 3%. Amex shares, meanwhile, were off 6.5% and NASDAQ stocks suffered a 4.5% loss. The Wilshire dropped 3.3%.

The market is showing little mercy for companies with disappointing earnings. The decline in issues such as Digital Equipment seems to have sobered investors. And with year's end approaching, additional profit taking and tax-loss selling may make the mood even more gloomy.

The longer-term outlook, nonetheless, is still encouraging. The major automakers have reported healthy third-quarter profits, as have Pan American and UAL in the troubled airlines group. The decline in the major indicators has also brought the market's overall price-to-earnings multiple down. The Dow industrials are now selling at 11.9 times latest 12-month earnings, and the Wilshire multiple is 14. What's more, if security analysts are correct, 1984 should be a very profitable year for most major corporations *(see story, p. 212).*

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–2.7	–1.0	0.2	–1.9	–8.1	–7.3
in last 52 weeks	25.2	23.4	25.3	23.7	34.0	31.0

Stock performance based on five key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–2.4	–6.5	–6.8	–0.7	–7.8	–6.0	0.2	–6.1	–8.2	–0.5	–1.8	–7.1
in last 52 weeks	25.7	90.7	74.0	38.1	48.7	84.5	34.4	81.5	83.5	37.1	37.0	84.1

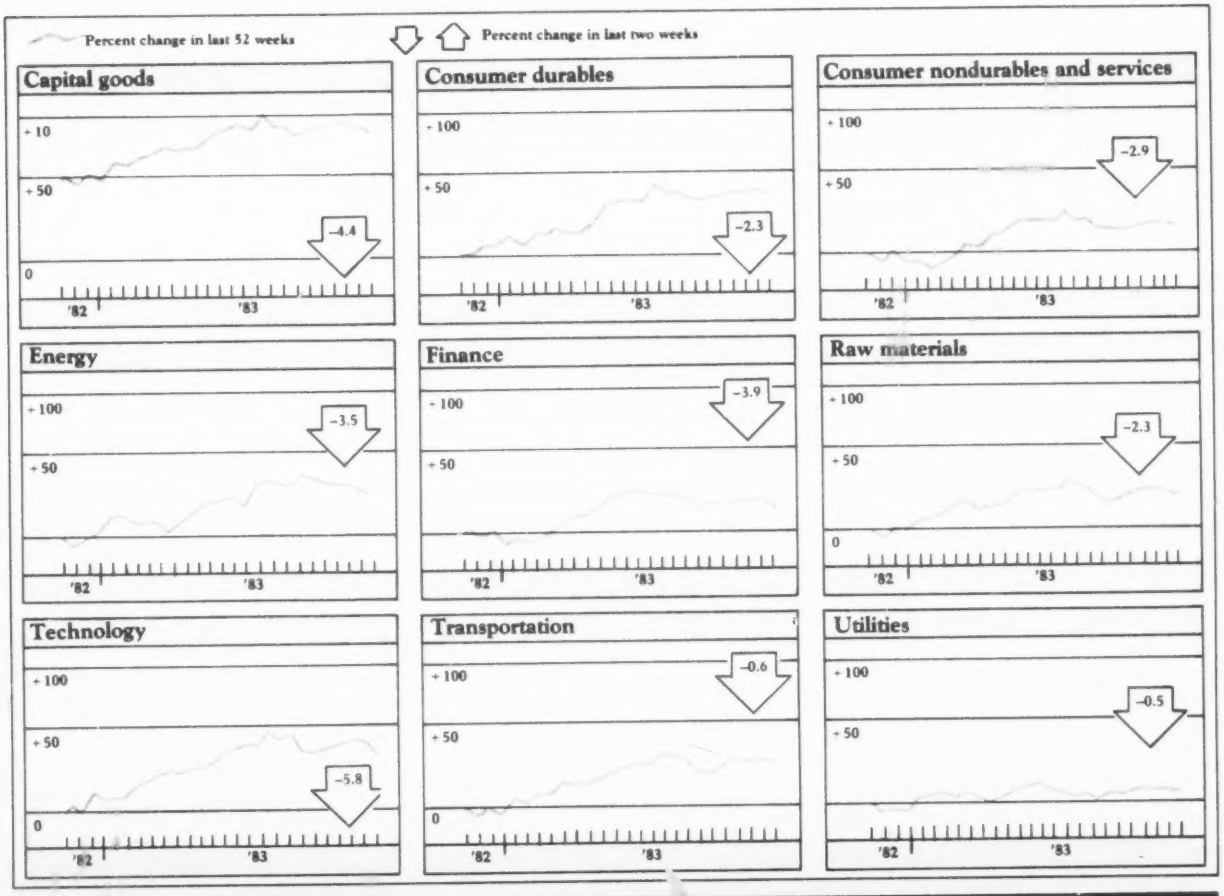
[1]Based on sales.
[2]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 10/27/83. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

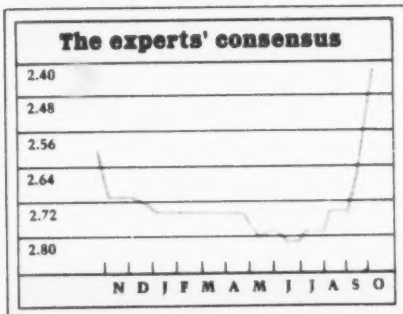
Reverse technology. The technology sector took another step backward, with a 5.8% two-week loss. With giant IBM flexing its muscle in microcomputers, investors are worried about prospects for the competition. Capital goods, with a 4.4% decline, was the second-poorest-performing group. The finance and energy sectors, meanwhile, registered two-week losses of 3.9% and 3.5%, respectively. As expected, most of the major brokerage firms reported lower earnings. And the oils have lost much of their summer sizzle.

Some investors sought refuge in utilities. Others liked some favorable airlines' earnings reports, which boosted the transportation sector. These two groups posted the slimmest losses over the last two weeks.



What The Analysts Think

Another plug for utilities. Even though utilities have been ranked first for months, analysts have become even more bullish of late. In fact, despite the declining market, the experts have raised their buy opinions on seven of the nine Wilshire sectors. Only the consumer nondurables and finance sectors show minor setbacks.



Rank	Sector	Current opinion	Rank 2 weeks ago	Rank 4 weeks ago
1	Utilities	1.79	1	1
2	Consumer durables	2.28	2	4
3	Raw materials	2.33	3	2
4	Transportation	2.40	4	6
5	Technology	2.42	5	9
6	Consumer nondurables	2.51	6	7
7	Capital goods	2.51	7	3
8	Energy	2.53	8	8
9	Finance	2.81	9	5

Opinion ratings are ranked on a scale of 1 (strong buy) to 5 (strong sell). Data reflect the views of 200 institutional analysts. The consensus of opinion graph is the composite rating of 1,200 stocks, while the sector breakdowns correspond to industry groups graphed above. All figures are weighted for market capitalization.

Note: All data for periods ending 10/27/83. Prepared by Wilshire Associates, Santa Monica, Calif.